A Study on Relation between Customer complaint behaviour and Undesirable Service Experience. (Case study: Eghtesad Novin Bank-Tehran West Branch)

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ABSTRACT

Purpose of this research is studying on effect of undesirable service experience and other effective factors on customer complaint behaviour. The present research in respect of goal is applied and in respect of nature and research methodology is descriptive survey, and the tool for gathering data is questionnaire. Statistical society of research are customers of Eghtesad Novin Bank, Tehran West District Branch that questionnaires were distributed to 385 available customers in the said district. For evaluating validity of questionnaire, the content validity and structures validity were used and also composite reliability (CR) indexes and Cronbach's alpha were used for studying on its reliability. For illative analysis of data, the confirmatory factor analysis and structural equations modelling method were used by using Smart PLS software. Results of research shows that personnel, service facilities quality, attitude towards complaints, information level, experience level, satisfaction level and importance of situation have positive and direct effect on customer complaint behaviour. Effect of facilities and appearance of branch and probability of succession in complaints are nonsense.

Findings of this research may be beneficial for managers of banks and all customer-oriented service companies who want to be successful in competitive market.

Keywords: Customer, undesirable service experience, complaint behaviour.

Introduction

However the study on behaviour due to complaint was began in 1970's decade, but nowadays it is also an appropriate subject for researches of university and work. Having reasons and consequences of such behaviour of customer in an environment with increasing competition is a key issue. Furthermore such information may help to business until to present its marketing philosophy not only with regard to satisfaction but also with considering to management of dissatisfaction and complaints (Kotler, 2006). In this research the effect of experiences of banking undesirable service and other factors which may be effective on customer complaint behaviour will be recognized and examined, and effectiveness of each factor on customer complaint behaviour (all kinds of reactions that are seen in the form of customer complaint behaviour) will be measured. Carson recommends that marketing in general level of customer complaint behaviour must be recognized as customer complaint reaction (Singh & Widing,1991). Crie defines customer complaint behaviour as a process "as a subset from all possible reactions to understood dissatisfaction in shopping, during consumption or while having commodity and/or services" (Crie, 2003). He argued that customer complaint behaviour is not an immediate and instant

response, but it is a process that is not only dependent to its starter factors but also is dependent to evaluation of consumer about conditions and his/her evaluation over time. Broadbridge and Marshall (1995) explained that customer complaint behaviour is a different and obvious process that will be commenced when customer evaluate a consumption experience (leading to dissatisfaction), and when customers expressed all behavioural and non-behavioural reactions it will be terminated. Singh knows customers behaviour as type and method for expressing dissatisfaction. Therefore, in fact it is a complaint that includes dissatisfaction of customer.

Doris and Peyrot (1994) stated that customers forms their expectations in stage before shopping with regard to product and evaluate this product in next stage after shopping. If product is not in the expected range, customers feel dissatisfaction. Broadbridge and Marshall (1995) stated a simple definition of dissatisfaction and related the satisfaction to product quality. In their opinion the dissatisfaction of customers is due to difference between expected and understood performance with reality. Expectations are made from factors such as advertisement, previous experiences, personal needs and verbal and visual advertisements which are created by company; while the service failure is one of problems that a customer has it with service (Colgate & Norris 2001).

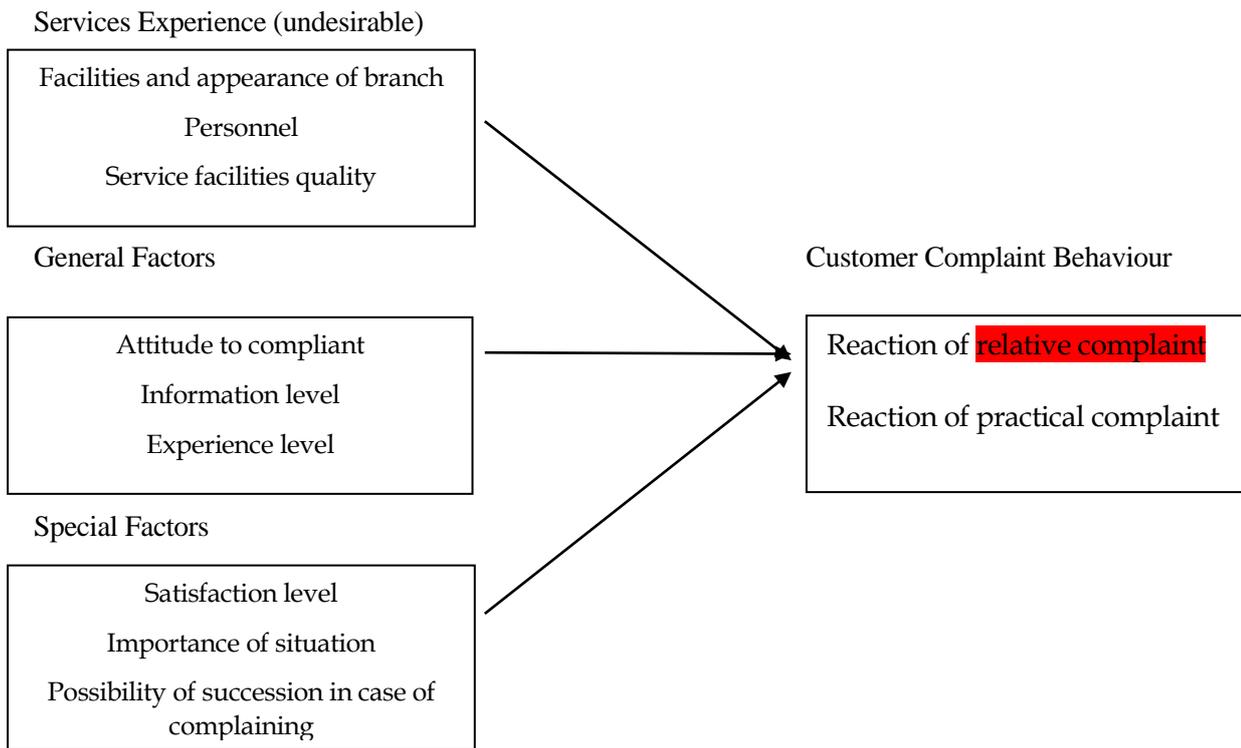While there is a significant agreement in the field of perceptual concept of consumer's complaint behaviour

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structure, but only some models for reactions from dissatisfaction were presented via little researches that some of them were useful and valid (Singh, J., Pandya, S, 1990).

Research Records

Researcher	Description	Results
Beatriz Moliner et al, 2010	This research studies on reasons of decision making (intention) of complaint behaviour with mediator variable of former customers experience.	Result of this research was that the following do not have any important effect on intention of complaint behaviour: Attitude to complaint, experience level, information level, dissatisfaction level and succession probability in complaint.
Wilkes Mital et al, 2008	This research has studied on role of date control and intensity of solidarity severity on probability of complaining by customers	In this article it is resulted that if data control to be stronger and relation and solidarity between network members to be far less the probability of complaining by customers will be increased.
Simone Cheng and Terry Lam, 2008	Studies on role of relation between buyer and seller in customer's tendency for complaining in China restaurants.	The results indicate that Chinese consumers tendency to complain is fully influenced by their relationship with sellers and attitude of social pressure, and also attitude of person has no effect on it.
John Hoper, 2007	This research studies on relation between policies of company's encounter to complaint and expression of complaints by customers.	Establishing friendly policies in dealing with complaint and complainant leads to compensate incurred damage successfully.
Elham Hasani Parsa, 2010	Studies on relation among service to customer, service improvement and consumers complaint behaviour.	Importance of product is effective on that if dissatisfied customers will seek to compensate incurred damage or not. Those protesters who understood lack of justice will be less likely to refer to the said seller again.
Leila Khandanrou Javan, 2011	Studies on status of customer complaint management with Strategic approach.	Most part of aspects of customer complaint management at current status of the target company is undesirable and also Great divide between current status and desired status of foregoing aspects is observable.

3- Conceptual Model of Research

Services Experience (undesirable)

| Facilities and appearance of branch |
| Personnel |
| Service facilities quality |

General Factors

| Attitude to compliant |
| Information level |
| Experience level |

Special Factors

| Satisfaction level |
| Importance of situation |
| Possibility of succession in case of complaining |

Customer Complaint Behaviour

| Reaction of relative complaint |
| Reaction of practical complaint |

Adopted from research model (Bard Tronvoll, 2012)

In this model, services undesirable experience, special and general factors are considered as independent variables and their behavioural probable reactions are considered as dependent variables.

4- Research Hypothesis

1- Experience of undesirable services is effective on customer complaint behaviour.

1-1- Facilities and appearance of branch is effective on customer complaint behaviour.

1-2- Personnel are effective on customer complaint behaviour.

1-3- Service facilities quality is effective on customer complaint behaviour.

2- General factors are effective on customer complaint behaviour.

2-1- Attitude to compliant is effective on customer complaint behaviour.

2-2- Information level is effective on customer complaint behaviour.

2-3- Experience level is effective on customer complaint behaviour.

3- Special factors are effective on customer complaint behaviour.

3-1- Satisfaction level is effective on customer complaint behaviour.

3-2- Importance of situation is effective on customer complaint behaviour.

3-3- Possibility of succession in case of complaining is effective on customer complaint behaviour.

5- Research Methodology

Since this research intends to develop applied knowledge, in respect of goal is applied and in respect of data gathering is descriptive survey. Also because that data are gathered from specified statistical society within a special given time period, this research is cross-sectional.

Statistical society in this research includes customers of Eghtesad Novin Bank, Tehran West District Branch that questionnaires were distributed to 385 available customers in the said district.

6- Research Findings

In this research for computing reliability, composite reliability (CR) indexes and Cronbach's alpha coefficient method were used. In this method, initially variance of scores of each question of questionnaire and total variance will be calculated then alpha coefficient will be calculated by using the following formula:

$$= \frac{n}{n-1}\left(1 - \frac{\sum si^2}{s^2}\right)$$

n= Number of questions
si= Standard deviation of question i
α= Cronbach's alpha coefficient
s= Standard deviation of entire questionnaire

And requisite for confirmation of reliability is

transcending of these indexes over 0.7 that all these coefficients are over 0.7. These digits indicate that the used questionnaire enjoys reliability and/or in other hand enjoys necessary reliability, and in such case its results are more reliable. On the other hand, internal components (i.e. all items) of scale have acceptable correlation with each other.

Table 1-2: Descriptive results of demographic characteristics

		Frequency	Percent
Gender	Male	219	56.9
	Female	166	43.1
	Total	385	100
Marital status	Male	126	32.7
	Female	259	67.3
	Total	385	100
Age	18-30	187	48.6
	30-40	121	31.4
	40-50	32	8.3
	50-60	29	7.5
	60<	16	4.2
	Total	385	100
Education	Under diploma of higher education	14	3.6
	Diploma of higher education	87	22.6
	Associate Degree diploma	21	5.5
	Bachelor's Degree diploma	213	55.3
	Master's Degree diploma and higher ranks	50	13
	Total	385	100

7- Hypothesis Testing
7-1- A study on validity coefficients and correlation matrix
Correlation coefficients and index of separated reliability

Hidden variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1) Facilities and appearance of branch	0.576									
2) Personnel	0.559	0.652								
3) Facilities services quality	0.488	0.413	0.813							
4) Attitude to complaint	0.429	0.335	0.300	0.782						
5) Information level	0.330	0.225	0.224	0.443	0.811					
6) Experience level	0.259	0.314	0.045	0.534	0.407	0.886				
7) Satisfaction level	0.311	0.279	0.127	0.562	0.377	0.609	0.839			
8) Importance of bank situation	0.269	0.256	0.225	0.411	0.208	0.502	0.425	0.809		
9) succession probability in case of complaining	0.254	0.159	0.276	0.588	0.543	0.368	0.353	0.241	0.784	
10) Customer complaint behaviour	0.428	0.374	0.367	0.504	0.573	0.318	0.439	0.354	0.383	0.861

** The major diameter indicates the square root of the average variance extracted (AVE)

On the major diameter, this matrix indicates the square root of the average variance extracted (AVE). Requisite for confirmation of separated reliability is transcending of the square root amount of the average variance extracted (AVE) over all variable correlation coefficients related to balanced variables. For example, the square root of the average variance extracted is (87.6%) for facilities variable and appearance of branch which is over correlation amount of this variable with other variables. As shown in the table, the square root amount of index of the average variance extracted (AVE), for all variables, is over correlation of that variable with other variables. Below major diameter, Pearson correlation

coefficients are indicated. Positive coefficient represents positive and direct relationship between two variables. All coefficients in error level under 0.01 are meaningful.

Table 1-3: Indexes of Validity and Reliability

Hidden variables	AVE	Composite Reliability	Cronbach's alpha	$\overline{AVE}$	$\overline{R^2}$	GOF
Facilities and appearance of branch	0.768	0.908	0.849			
Personnel	0.525	0.835	0.771			
Facilities services quality	0.661	0.931	0.913			
Undesirable service experience	0.784	0.910	0.893			
Attitude to complaint	0.611	0.860	0.777			
Information level	0.658	0.852	0.745			
Experience level	0.785	0.936	0.907			
General factors	0.747	0.896	0.870	0.830	0.787	0.653
Satisfaction level	0.403	0.905	0.859			
Importance of bank situation	0.655	0.850	0.739			
succession probability in case of complaining	0.614	0.827	0.693			
Special factors	0.785	0.857	0.811			
Relative complaint reaction	0.702	0.875	0.785			
Practical complaint reaction	0.599	0.767	0.728			
Customer complaint behaviour	0.732	0.790	0.703			

Table 1-3 indicates indexes of validity and reliability for all variables of research. In addition to structure reliability that is used for study on importance of selected indicators for measuring structures, also the discriminant validity in the present research is considered meaning that indicators of each structure finally provide appropriate separation in respect of measurement in proportion to other structures of model. In simple terms, each indicator measures only its own structure and their composition is such that all structures to be well separated from each other. With the help of index of average variance extracted it was founded that all studied structures have average variance extracted over 0.5. Composite reliability (CR) indexes and Cronbach's alpha are used for studying on reliability of questionnaire, and requisite for confirmation of reliability is transcending of these indexes over 0.7. All these coefficients are over 0.7. and indicate reliability of measurement tools.

7-2- Interpretation of Model

Results of structural equations

Dependent variable	Independent variable	Statistical indexes	Quantity	Result	Type of relationship	Determination coefficient (R^2)
Customer complaint behaviour	Undesirable service experience	Quantity of beta	0.295	Confirmed	Direct	0.400
		Quantity of t	5.99			
		Significance level	0.001			
	General factors	Quantity of beta	0.292	Confirmed	Direct	
		Quantity of t	3.018			
		Significance level	0.001			
	Private factors	Quantity of beta	0.188	Confirmed	Direct	
		Quantity of t	1.972			
		Significance level	0.041			

Leading hypothesis 1: Undesirable service experience is effective on customer complaint behaviour.

H.: Undesirable service experience is not effective on customer complaint behaviour.

H1: Undesirable service experience is effective on customer complaint behaviour.

Results of the table No. 4-11 indicates that amount of calculated effect of undesirable service experience on customer complaint behaviour is 0.295, and considering that significance level is 0.001 and is less than 0.05 (p < 0.05), with possibility of 0.95, the researcher claim concerning that "undesirable service experience is effective on customer complaint behaviour" is confirmed.

Regarding to existence of beta positive coefficient, we

can say that undesirable service experience has positive and direct effect on customer complaint behaviour.

Leading hypothesis 2: General factors are effective on customer complaint behaviour.

H.: General factors are not effective on customer complaint behaviour.

H1: General factors are effective on customer complaint behaviour.

Results of the table No. 4-11 indicates that amount of calculated effect of general factors on customer complaint behaviour is 0.292, and considering that significance level is 0.001 and is less than 0.05 (p < 0.05), with possibility of 0.95, the researcher claim concerning that "general factors is effective on customer complaint behaviour" is confirmed.

Regarding to existence of beta positive coefficient, we can say that general factors has positive and direct effect on customer complaint behaviour.

Leading hypothesis 3: Special factors are effective on customer complaint behaviour.

H.: Special factors are not effective on customer complaint behaviour.

H1: Special factors are effective on customer complaint behaviour.

Results of the table No. 4-11 indicates that amount of calculated effect of special factors on customer complaint behaviour is 0.188, and considering that significance level is 0.041 and is less than 0.05 (p < 0.05), with possibility of 0.95, the researcher claim concerning that "special factors are effective on customer complaint behaviour" is confirmed. Regarding to existence of beta positive coefficient, we can say that special factors has positive and direct effect on customer complaint behaviour.

Among 3 general variable, Undesirable service experience (0.295) and then general factors (0.292) had most effect on customer complaint behaviour. Determination coefficient of this model became 0.400 and determination coefficient indicates that independant variables explain and interpret what percentage of changes of dependant variables. Accordingly, variables of special factors, general factors and undesirable service experience altogether could predict 40% of changes on customer complaint behaviour.

Alternative hypothesises

Table 4-12: Path coefficient, t statistic and result of research hypothesis

Alternative hypothesises	Beta	t statistic	R²	Sig	Result	Type of relationship
Probability of succession in case of complaining -> customer complaint behaviour	0.036	0.457		0.648	Rejected	Nonsense
Facilities and appearance of branch -> customer complaint behaviour	0.028	0.502		0.615	Rejected	Nonsense
Importance of bank situation -> customer complaint behaviour	0.143	2.982		0.003	Confirmed	Positive
Experience level -> customer complaint behaviour	0.193	2.746		0.006	Confirmed	Positive
Information level -> customer complaint behaviour	0.429	7.295	0.523	0.0	Confirmed	Positive
Satisfaction level -> customer complaint behaviour	0.195	3.423		0.001	Confirmed	Positive
Attitude to complaint -> customer complaint behaviour	0.153	2.371		0.018	Confirmed	Positive
Undesirable personnel -> customer complaint behaviour	0.159	3.184		0.002	Confirmed	Positive
Undesirable service facilities quality -> customer complaint behaviour	0.125	2.655		0.008	Confirmed	Positive

/t/>2.58 Significant at P<0.01, /t/>1.96 Significant at P<0.05

On the strength of obtained results from structural equations coefficients and t statistic, undesirable personnel variables, undesirable facilities quality, importance of bank situation, experience level, information level, satisfaction level, and attitude to complaint in error level less than 0.05 were effective on customer complaint behaviour (quantity of t for this parameter according to error rule of 5 percent at reject

the null hypothesis level for out of range quantity of 1.96 to -1.96, every parameter of model is assessed more than 1.96.) and considering that beta coefficients are positive, we can say with 95% certainty that undesirable personnel relationship, undesirable facilities quality, importance of bank situation, experience level, information level, satisfaction level, and attitude to complaint with customer complaint behaviour are became positive and direct.

Variables of probability of succession in complaining and facilities and appearance of branch in error level less than 5% has not effect on customer complaint behaviour. (quantity of t for this parameter according to error rule of 5 percent at reject the null hypothesis level for out of range quantity of 1.96 to -1.96, every parameter of model is assessed within range).

Determination coefficient became 0.523, therefore all 9 variables altogether could explain 52.3% of variable changes of customer complaint behaviour. Considering path coefficient we can say that information level variable had most effect on customer complaint behaviour (without considering sign behind coefficient, it has bigger beta) and the facilities and undesirable appearance of branch had least correlation. (it had least beta correlation).

Conclusion

Descriptive results indicate that men had the highest participation rate so that 56.9% of participation was belong to men and 43.1% of participation was belong to women. In respect of age, nearly 50% of people were between 20 and 30, and in respect of education, more than 60% of people had Bachelor's Degree education and higher ranks which indicates high rate of respondents' education and more than 70% of people were married.

Results of this research indicates that all 3 leading hypothesises are confirmed and 2 alternative hypothesises i.e. "possibility of succession in case of complaining is effective on customer complaint behaviour" and "facilities and appearance of branch is effective on customer complaint behaviour" were rejected and other 7 alternative hypothesises were confirmed. Considering necessity and importance of customer complaint behaviour it can be concluded that applying modern equipment and installing banner for instructing and informing customer has created comparative advantage for the bank more than ever and also for making positive image from bank in mind of customers, customer-oriented culture must influence in all parts of organization; requisite of this fact is having respondent and committed personnel for confronting with customers, and for increasing service facilities quality the bank must present more obvious services to the customers by amending cumbersome rules, and to have precise scheduling for presenting its

own services, and considering that attitude to complaint has positive effect on customers complaint, the bank must think about changing attitude of customers to complaining that the bank can use complaint incentives promotions in the bank or mass media. Considering high effect of information level on customer complaint behaviour it is recommended that to increase information of its customers and for encouraging customers to complain and increasing customer complaint experience as well as presenting proposals by customers, the bank dedicate some prizes for the best proposal (or criticism that lead to improvement of organization) and also organization should not to increase expectations of customers with performing promotions and expressing an ideal prospect.

With regard to variable of importance of situation that has positive and direct effect on complaint behaviour, the bank must attract confidence of customers and when consumers develop a relationship with presenter of services, they realize high confidence and socialization which is resulted by keeping relationship. Presenting service with low cost and selecting appropriate locations for establishing branch, increases loyalty and by keeping the customer satisfied increases their dependency to the bank and finally the bank must make decision for increment of possibility of succession in case of understood complaint by customers and for this work, a codified, specified and efficient system for considering complaints is used in bank in order to make complainant customers satisfied for consideration of bank to their complaints.

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